
HOUSE BILL 2351

State of Washington 60th Legislature 2007 Regular Session

By Representatives Sells, Campbell, Conway, Green, Hudgins, Hasegawa, Appleton, Ormsby, Hurst, Chase, Dickerson, VanDeWege and Simpson

Read first time 02/23/2007. Referred to Committee on Finance.

1 AN ACT Relating to establishing a state tax policy that prohibits
2 employers claiming certain tax incentives from requiring employees to
3 participate in certain communications about political, religious, or
4 labor organizing matters; amending RCW 82.32.545, 82.04.250,
5 82.04.4461, 82.04.4463, 82.04.4487, 82.08.975, 82.08.980, 82.08.981,
6 82.12.975, 82.12.981, 84.36.655, and 82.29A.137; adding new sections to
7 chapter 82.32 RCW; prescribing penalties; providing an effective date;
8 providing an expiration date; and declaring an emergency.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.32 RCW
11 to read as follows:

12 The definitions in this section apply throughout sections 1 through
13 4 of this act unless the context clearly requires otherwise.

14 (1) "Employer" means an employer, as defined in RCW
15 49.12.005(3)(b), who is claiming a tax incentive, and includes any
16 person acting in the interest of such an employer.

17 (2) "Employee" means the same as provided in RCW 49.12.005(4).

18 (3) "Labor organization" means any organization that exists for the
19 purpose, in whole or in part, of collective bargaining or of dealing

1 with employers concerning grievances, terms or conditions of
2 employment, or of other mutual aid or protection in connection with
3 employment.

4 (4) "Political matters" includes political party affiliation or the
5 decision to join or not join a lawful, political, social, or community
6 group or activity, or a labor organization.

7 (5) "Tax incentive" means an exemption, credit, or preferential tax
8 rate under this title or Title 84 RCW for persons who are manufacturers
9 or processors for hire of commercial airplanes, or components of such
10 airplanes, including but not limited to an exemption, credit, or
11 preferential tax rate under RCW 82.04.250, 82.04.4461, 82.04.4463,
12 82.04.4487, 82.08.975, 82.08.980, 82.08.981, 82.12.975, 82.12.980,
13 82.12.981, 82.29A.137, or 84.36.655.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32 RCW
15 to read as follows:

16 (1)(a) It is unlawful for an employer to require its employees to
17 attend an employer-sponsored meeting or to participate in any
18 communications with the employer if the primary purpose is to
19 communicate the employer's opinion about religious or political
20 matters.

21 (b) This subsection does not:

22 (i) Apply to communications about religious or political matters
23 that the employer is required by law to communicate to employees, but
24 only to the extent of such requirement;

25 (ii) Prohibit a religious organization from requiring its employees
26 to attend an employer-sponsored meeting or to participate in any
27 communications with the employer if the primary purpose is to
28 communicate the employer's religious beliefs, practices, or tenets;

29 (iii) Prohibit a political organization from requiring its
30 employees to attend an employer-sponsored meeting or to participate in
31 any communications with the employer if the primary purpose is to
32 communicate the employer's political tenets or purposes; or

33 (iv) Prohibit an educational institution from requiring student
34 instructors to attend lectures on political or religious matters that
35 are part of the regular coursework at such institution.

36 (2) An employer may not discharge or in any manner discriminate
37 against, or threaten to discharge or discriminate against, an employee

1 because the employee, or a person acting on behalf of the employee,
2 makes a good faith report, orally or in writing, of a violation or a
3 suspected violation of this section. This subsection does not apply
4 when the employee knows that such report is false.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.32 RCW
6 to read as follows:

7 (1) An employee aggrieved by a violation of section 2 of this act
8 may, within ninety days after the date of the alleged violation, bring
9 a civil action in the superior court for the county where the violation
10 is alleged to have occurred or where the employer has its principal
11 office. The court may award a prevailing employee all appropriate
12 relief, including rehiring or reinstatement of the employee to the
13 employee's former position with back pay and without loss of seniority
14 or benefits to which the employee would otherwise have been eligible if
15 such violation had not occurred. The court shall award a prevailing
16 employee treble damages, together with reasonable attorneys' fees and
17 costs.

18 (2) This section does not limit an employee's right to bring a
19 common law cause of action against an employer for wrongful termination
20 or diminish or impair the rights of a person under a collective
21 bargaining agreement.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.32 RCW
23 to read as follows:

24 A taxpayer may, within ninety days after the date of an alleged
25 violation of section 2 of this act, bring a civil action in the
26 superior court for the county where the violation is alleged to have
27 occurred or where the employer has its principal office. The court may
28 award a prevailing taxpayer all appropriate relief, including
29 injunctive relief and other appropriate equitable relief. The court
30 shall declare the amount of any tax incentives taken for that year to
31 be immediately due and payable, order payment of a civil penalty equal
32 to twice the amount of any tax incentives taken for the remainder of
33 the year, bar the employer from claiming any tax incentives for that
34 year and the following calendar year, and award the prevailing taxpayer
35 reasonable attorneys' fees and costs.

1 **Sec. 5.** RCW 82.32.545 and 2003 2nd sp.s. c 1 s 16 are each amended
2 to read as follows:

3 (1) The legislature finds that accountability and effectiveness are
4 important aspects of setting tax policy. In order to make policy
5 choices regarding the best use of limited state resources the
6 legislature needs information on how a tax incentive is used.

7 (2)(a) A person who reports taxes under RCW 82.04.260(~~((+13+))~~) (11)
8 or who claims an exemption or credit under RCW 82.04.4461, 82.08.980,
9 82.12.980, 82.29A.137, 84.36.655, and 82.04.4463 shall make an annual
10 report to the department detailing employment, wages, and employer-
11 provided health and retirement benefits per job at the manufacturing
12 site. The report shall not include names of employees. The report
13 shall also detail employment by the total number of full-time, part-
14 time, and temporary positions. The first report filed under this
15 subsection shall include employment, wage, and benefit information for
16 the twelve-month period immediately before first use of a preferential
17 tax rate under RCW 82.04.260(~~((+13+))~~) (11), or tax exemption or credit
18 under RCW 82.04.4461, 82.08.980, 82.12.980, 82.29A.137, 84.36.655, and
19 82.04.4463. The report is due by March 31st following any year in
20 which a preferential tax rate under RCW 82.04.260(~~((+13+))~~) (11) is used,
21 or tax exemption or credit under RCW 82.04.4461, 82.08.980, 82.12.980,
22 82.29A.137, 84.36.655, and 82.04.4463 is taken. This information is
23 not subject to the confidentiality provisions of RCW 82.32.330 and may
24 be disclosed to the public upon request.

25 (b) If a person fails to submit an annual report under (a) of this
26 subsection by the due date of the report, the department shall declare
27 the amount of taxes exempted or credited, or reduced in the case of the
28 preferential business and occupation tax rate, for that year to be
29 immediately due and payable. Excise taxes payable under this
30 subsection are subject to interest but not penalties, as provided under
31 this chapter. This information is not subject to the confidentiality
32 provisions of RCW 82.32.330 and may be disclosed to the public upon
33 request.

34 (3) By November (~~(1, 2010, and by November 1, 2023)~~) 1st of each
35 even-numbered year from 2008 through 2022, the fiscal committees of the
36 house of representatives and the senate, in consultation with the
37 department, shall report to the legislature on the effectiveness of
38 chapter 1, Laws of 2003 2nd sp. sess. in regard to keeping Washington

1 competitive. The report shall measure the effect of chapter 1, Laws of
2 2003 2nd sp. sess. on job retention, net jobs created for Washington
3 residents, company growth, diversification of the state's economy,
4 cluster dynamics, and other factors as the committees select. The
5 reports shall include a discussion of principles to apply in evaluating
6 whether the legislature should reenact any or all of the tax
7 preferences in chapter 1, Laws of 2003 2nd sp. sess.

8 **Sec. 6.** RCW 82.04.250 and 2006 c 177 s 5 are each amended to read
9 as follows:

10 (1) Upon every person engaging within this state in the business of
11 making sales at retail, except persons taxable as retailers under other
12 provisions of this chapter, as to such persons, the amount of tax with
13 respect to such business shall be equal to the gross proceeds of sales
14 of the business, multiplied by the rate of 0.471 percent.

15 (2) Upon every person engaging within this state in the business of
16 making sales at retail that are exempt from the tax imposed under
17 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
18 82.08.0263, except persons taxable under RCW 82.04.260(11) or
19 subsection (3) of this section, as to such persons, the amount of tax
20 with respect to such business shall be equal to the gross proceeds of
21 sales of the business, multiplied by the rate of 0.484 percent.

22 (3) Upon every person engaging within this state in the business of
23 making sales at retail that are exempt from the tax imposed under
24 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
25 82.08.0263, that is classified by the federal aviation administration
26 as a FAR part 145 certificated repair station with airframe and
27 instrument ratings and limited ratings for nondestructive testing,
28 radio, Class 3 Accessory, and specialized services, as to such persons,
29 the amount of tax with respect to such business shall be equal to the
30 gross proceeds of sales of the business, multiplied by the rate of
31 .2904 percent. Every person taxed at the preferential tax rate under
32 this subsection must comply with section 2 of this act.

33 **Sec. 7.** RCW 82.04.4461 and 2003 2nd sp.s. c 1 s 7 are each amended
34 to read as follows:

35 (1)(a) In computing the tax imposed under this chapter, a credit is

1 allowed for each person for preproduction development spending
2 occurring after December 1, 2003.

3 (b) Before July 1, 2005, any credits earned under this section must
4 be accrued and carried forward and may not be used until July 1, 2005.
5 These carryover credits may be used at any time thereafter, and may be
6 carried over until used. Refunds may not be granted in the place of a
7 credit.

8 (2) The credit is equal to the amount of qualified preproduction
9 development expenditures of a person, multiplied by the rate of 1.5
10 percent.

11 (3) Except as provided in subsection (1)(b) of this section the
12 credit shall be taken against taxes due for the same calendar year in
13 which the qualified preproduction development expenditures are
14 incurred. Credit earned on or after July 1, 2005, may not be carried
15 over. The credit for each calendar year shall not exceed the amount of
16 tax otherwise due under this chapter for the calendar year. Refunds
17 may not be granted in the place of a credit.

18 (4) Any person claiming the credit shall file an affidavit form
19 prescribed by the department that shall include the amount of the
20 credit claimed, an estimate of the anticipated preproduction
21 development expenditures during the calendar year for which the credit
22 is claimed, an estimate of the taxable amount during the calendar year
23 for which the credit is claimed, and such additional information as the
24 department may prescribe.

25 (5) The definitions in this subsection apply throughout this
26 section.

27 (a) "Aeronautics" means the study of flight and the science of
28 building and operating commercial aircraft.

29 (b) "Person" means a person as defined in RCW 82.04.030, who is a
30 manufacturer or processor for hire of commercial airplanes, or
31 components of such airplanes, as those terms are defined in RCW
32 82.32.550.

33 (c) "Preproduction development" means research, design, and
34 engineering activities performed in relation to the development of a
35 product, product line, model, or model derivative, including prototype
36 development, testing, and certification. The term includes the
37 discovery of technological information, the translating of
38 technological information into new or improved products, processes,

1 techniques, formulas, or inventions, and the adaptation of existing
2 products and models into new products or new models, or derivatives of
3 products or models. The term does not include manufacturing activities
4 or other production-oriented activities, however the term does include
5 tool design and engineering design for the manufacturing process. The
6 term does not include surveys and studies, social science and
7 humanities research, market research or testing, quality control, sale
8 promotion and service, computer software developed for internal use,
9 and research in areas such as improved style, taste, and seasonal
10 design.

11 (d) "Preproduction development spending" means qualified
12 preproduction development expenditures plus eighty percent of amounts
13 paid to a person other than a public educational or research
14 institution to conduct qualified preproduction development.

15 (e) "Qualified preproduction development" means preproduction
16 development performed within this state in the field of aeronautics.

17 (f) "Qualified preproduction development expenditures" means
18 operating expenses, including wages, compensation of a proprietor or a
19 partner in a partnership as determined by the department, benefits,
20 supplies, and computer expenses, directly incurred in qualified
21 preproduction development by a person claiming the credit provided in
22 this section. The term does not include amounts paid to a person other
23 than a public educational or research institution to conduct qualified
24 preproduction development. The term does not include capital costs and
25 overhead, such as expenses for land, structures, or depreciable
26 property.

27 (g) "Taxable amount" means the taxable amount subject to the tax
28 imposed in this chapter required to be reported on the person's tax
29 returns during the year in which the credit is claimed, less any
30 taxable amount for which a credit is allowed under RCW 82.04.440.

31 (6) In addition to all other requirements under this title, a
32 person taking the credit under this section must (~~report as required~~
33 ~~under~~) comply with RCW 82.32.545 and section 2 of this act.

34 (7) Credit may not be claimed for expenditures for which a credit
35 is claimed under RCW 82.04.4452.

36 (8) This section expires July 1, 2024.

1 **Sec. 8.** RCW 82.04.4463 and 2006 c 177 s 10 are each amended to
2 read as follows:

3 (1) In computing the tax imposed under this chapter, a credit is
4 allowed for property taxes and leasehold excise taxes paid during the
5 calendar year.

6 (2) The credit is equal to:

7 (a)(i)(A) Property taxes paid on new buildings, and land upon which
8 this property is located, built after December 1, 2003, and used
9 exclusively in manufacturing commercial airplanes or components of such
10 airplanes; and

11 (B) Leasehold excise taxes paid with respect to a building built
12 after January 1, 2006, the land upon which the building is located, or
13 both, if the building is used exclusively in manufacturing commercial
14 airplanes or components of such airplanes; or

15 (ii) Property taxes attributable to an increase in assessed value
16 due to the renovation or expansion, after December 1, 2003, of a
17 building used exclusively in manufacturing commercial airplanes or
18 components of such airplanes; and

19 (b) An amount equal to property taxes paid on machinery and
20 equipment exempt under RCW 82.08.02565 or 82.12.02565 and acquired
21 after December 1, 2003, multiplied by a fraction. The numerator of the
22 fraction is the total taxable amount subject to the tax imposed under
23 RCW 82.04.260(11) and the denominator of the fraction is the total
24 taxable amount subject to the tax imposed under all manufacturing
25 classifications in chapter 82.04 RCW, required to be reported on the
26 person's returns for the calendar year before the calendar year in
27 which the credit under this section is earned. No credit is available
28 under this subsection (2)(b) if either the numerator or the denominator
29 of the fraction is zero. If the fraction is greater than or equal to
30 nine-tenths, then the fraction is rounded to one. For purposes of this
31 subsection, "returns" means the combined excise tax returns for the
32 calendar year.

33 (3) For the purposes of this section, "commercial passenger
34 airplane" and "component" have the meanings given in RCW 82.32.550.

35 (4) A person taking the credit under this section is subject to all
36 the requirements of chapter 82.32 RCW. (~~(In addition, the person must~~
37 ~~report as required under RCW 82.32.545.)~~) A credit earned during one

1 calendar year may be carried over to be credited against taxes incurred
2 in a subsequent calendar year, but may not be carried over a second
3 year. No refunds may be granted for credits under this section.

4 (5) In addition to all other requirements under this title, a
5 person taking the credit under this section must (~~report as required~~
6 ~~under~~) comply with RCW 82.32.545 and section 2 of this act.

7 (6) This section expires July 1, 2024.

8 **Sec. 9.** RCW 82.04.4487 and 2006 c 177 s 3 are each amended to read
9 as follows:

10 (1) In computing the tax imposed under this chapter, a credit is
11 allowed for each person for qualified preproduction development
12 expenditures occurring after July 1, 2006.

13 (2) The credit is equal to the amount of qualified preproduction
14 development expenditures of a person, multiplied by the rate of 1.5
15 percent.

16 (3) The credit shall be taken against taxes due for the same
17 calendar year in which the qualified preproduction development
18 expenditures are incurred. Credits may not be carried over. The
19 credit for each calendar year may not exceed the amount of tax
20 otherwise due under this chapter for the calendar year. Refunds may
21 not be granted in the place of a credit.

22 (4) Any person entitled to the credit in this section as a result
23 of qualified preproduction development conducted under contract may
24 assign all or any portion of the credit to the person contracting for
25 the performance of the qualified preproduction development.

26 (5) The definitions in this subsection apply throughout this
27 section.

28 (a) "Aeronautics" means the study of flight and the science of
29 building and operating commercial aircraft.

30 (b) "Preproduction development" means research, design, and
31 engineering activities performed in relation to the development of a
32 product, product line, model, or model derivative, including prototype
33 development, testing, and certification. The term includes the
34 discovery of technological information, the translating of
35 technological information into new or improved products, processes,
36 techniques, formulas, or inventions, and the adaptation of existing
37 products and models into new products or new models, or derivatives of

1 products or models. The term does not include manufacturing activities
2 or other production-oriented activities. The term does not include
3 surveys and studies, social science and humanities research, market
4 research or testing, quality control, sale promotion and service,
5 computer software developed for internal use, and research in areas
6 such as improved style, taste, and seasonal design.

7 (c) "Qualified preproduction development" means preproduction
8 development performed within this state in the field of aeronautics.

9 (d) "Qualified preproduction development expenditures" means
10 operating expenses, including wages, compensation of a proprietor or a
11 partner in a partnership as determined by the department, benefits,
12 supplies, and computer expenses, directly incurred in qualified
13 preproduction development by a person claiming the credit provided in
14 this section. The term does not include amounts paid to a person other
15 than a public educational or research institution to conduct qualified
16 preproduction development. The term does not include capital costs and
17 overhead, such as expenses for land, structures, or depreciable
18 property.

19 (6) In addition to all other requirements under this title, a
20 person taking the credit under this section must comply with section 2
21 of this act.

22 (7) Credit may not be claimed for expenditures for which a credit
23 is claimed under RCW 82.04.4452 or 82.04.4461.

24 ((+7)) (8) This section expires July 1, 2024.

25 **Sec. 10.** RCW 82.08.975 and 2003 2nd sp.s. c 1 s 9 are each amended
26 to read as follows:

27 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
28 computer hardware, computer peripherals, or software, not otherwise
29 eligible for exemption under RCW 82.08.02565, to a manufacturer or
30 processor for hire of commercial airplanes or components of such
31 airplanes, used primarily in the development, design, and engineering
32 of such products, or to sales of or charges made for labor and services
33 rendered in respect to installing the computer hardware, computer
34 peripherals, or software. The exemption is available only when the
35 buyer provides the seller with an exemption certificate in a form and
36 manner prescribed by the department. The seller shall retain a copy of
37 the certificate for the seller's files.

1 (2) In addition to all other requirements under this title, a
2 person taking the exemption under this section must comply with section
3 2 of this act.

4 (3) As used in this section, "commercial airplane" and "component"
5 have the meanings given in RCW 82.32.550. "Peripherals" includes
6 keyboards, monitors, mouse devices, and other accessories that operate
7 outside of the computer, excluding cables, conduit, wiring, and other
8 similar property.

9 (~~(3)~~) (4) This section expires July 1, 2024.

10 **Sec. 11.** RCW 82.08.980 and 2003 2nd sp.s. c 1 s 11 are each
11 amended to read as follows:

12 (1) The tax levied by RCW 82.08.020 shall not apply to charges made
13 for labor and services rendered in respect to the constructing of new
14 buildings by a manufacturer engaged in the manufacturing of
15 superefficient airplanes or by a port district, to be leased to a
16 manufacturer engaged in the manufacturing of superefficient airplanes,
17 to sales of tangible personal property that will be incorporated as an
18 ingredient or component of such buildings during the course of the
19 constructing, or to labor and services rendered in respect to
20 installing, during the course of constructing, building fixtures not
21 otherwise eligible for the exemption under RCW 82.08.02565(2)(b). The
22 exemption is available only when the buyer provides the seller with an
23 exemption certificate in a form and manner prescribed by the
24 department. The seller shall retain a copy of the certificate for the
25 seller's files.

26 (2) No application is necessary for the tax exemption in this
27 section, however in order to qualify under this section before starting
28 construction the port district must have entered into an agreement with
29 the manufacturer to build such a facility. A person taking the
30 exemption under this section is subject to all the requirements of
31 chapter 82.32 RCW. In addition, the person must (~~report as required~~
32 ~~under~~) comply with RCW 82.32.545 and section 2 of this act.

33 (3) The exemption in this section applies to buildings, or parts of
34 buildings, that are used exclusively in the manufacturing of
35 superefficient airplanes, including buildings used for the storage of
36 raw materials and finished product.

1 (4) For the purposes of this section, "superefficient airplane" has
2 the meaning given in RCW 82.32.550.

3 (5) This section expires July 1, 2024.

4 **Sec. 12.** RCW 82.08.981 and 2006 c 177 s 1 are each amended to read
5 as follows:

6 (1) The tax levied by RCW 82.08.020 does not apply to sales of
7 computer hardware, computer peripherals, or software, not otherwise
8 eligible for exemption under RCW 82.08.02565 or 82.08.975, used
9 primarily in the development, design, and engineering of commercial
10 airplanes or components of such airplanes, or to sales of or charges
11 made for labor and services rendered in respect to installing the
12 computer hardware, computer peripherals, or software. The exemption is
13 available only when the buyer provides the seller with an exemption
14 certificate in a form and manner prescribed by the department. The
15 seller shall retain a copy of the certificate for the seller's files.

16 (2) In addition to all other requirements under this title, a
17 person taking the exemption under this section must comply with section
18 2 of this act.

19 (3) As used in this section:

20 (a) "Commercial airplane" and "component" have the meanings in RCW
21 82.32.550.

22 (b) "Peripherals" includes keyboards, monitors, mouse devices, and
23 other accessories that operate outside of the computer, excluding
24 cables, conduit, wiring, and other similar property.

25 (~~(3)~~) (4) This section expires July 1, 2024.

26 **Sec. 13.** RCW 82.12.975 and 2003 2nd sp.s. c 1 s 10 are each
27 amended to read as follows:

28 (1) The provisions of this chapter shall not apply in respect to
29 the use of computer hardware, computer peripherals, or software, not
30 otherwise eligible for exemption under RCW 82.12.02565, by a
31 manufacturer or processor for hire of commercial airplanes or
32 components of such airplanes, used primarily in the development,
33 design, and engineering of such products, or to the use of labor and
34 services rendered in respect to installing the computer hardware,
35 computer peripherals, or software.

1 (2) In addition to all other requirements under this title, a
2 person taking the exemption under this section must comply with section
3 2 of this act.

4 (3) As used in this section, "commercial airplane" and "component"
5 have the meanings given in RCW 82.32.550. "Peripherals" includes
6 keyboards, monitors, mouse devices, and other accessories that operate
7 outside of the computer, excluding cables, conduit, wiring, and other
8 similar property.

9 (~~(3)~~) (4) This section expires July 1, 2024.

10 **Sec. 14.** RCW 82.12.981 and 2006 c 177 s 2 are each amended to read
11 as follows:

12 (1) The provisions of this chapter do not apply in respect to the
13 use of computer hardware, computer peripherals, or software, not
14 otherwise eligible for exemption under RCW 82.12.02565 or 82.12.975,
15 used primarily in the development, design, and engineering of
16 commercial airplanes or components of such airplanes, or to the use of
17 labor and services rendered in respect to installing the computer
18 hardware, computer peripherals, or software.

19 (2) In addition to all other requirements under this title, a
20 person taking the exemption under this section must comply with section
21 2 of this act.

22 (3) As used in this section:

23 (a) "Commercial airplane" and "component" have the meanings in RCW
24 82.32.550.

25 (b) "Peripherals" includes keyboards, monitors, mouse devices, and
26 other accessories that operate outside of the computer, excluding
27 cables, conduit, wiring, and other similar property.

28 (~~(3)~~) (4) This section expires July 1, 2024.

29 **Sec. 15.** RCW 84.36.655 and 2003 2nd sp.s. c 1 s 14 are each
30 amended to read as follows:

31 (1) Effective January 1, 2005, all buildings, machinery, equipment,
32 and other personal property of a lessee of a port district eligible
33 under RCW 82.08.980 and 82.12.980, used exclusively in manufacturing
34 superefficient airplanes, are exempt from property taxation. A person
35 taking the credit under RCW 82.04.4463 is not eligible for the

1 exemption under this section. For the purposes of this section,
2 "superefficient airplane" and "component" have the meanings given in
3 RCW 82.32.550.

4 (2) In addition to all other requirements under this title, a
5 person taking the exemption under this section must (~~report as~~
6 ~~required under~~) comply with RCW 82.32.545 and section 2 of this act.

7 (3) Claims for exemption authorized by this section shall be filed
8 with the county assessor on forms prescribed by the department and
9 furnished by the assessor. The assessor shall verify and approve
10 claims as the assessor determines to be justified and in accordance
11 with this section. No claims may be filed after December 31, 2023.
12 The department may adopt rules, under the provisions of chapter 34.05
13 RCW, as necessary to properly administer this section.

14 (4) This section applies to taxes levied for collection in 2006 and
15 thereafter.

16 (5) This section expires July 1, 2024.

17 **Sec. 16.** RCW 82.29A.137 and 2003 2nd sp.s. c 1 s 13 are each
18 amended to read as follows:

19 (1) All leasehold interests in port district facilities exempt from
20 tax under RCW 82.08.980 or 82.12.980 and used by a manufacturer engaged
21 in the manufacturing of superefficient airplanes, as defined in RCW
22 82.32.550, are exempt from tax under this chapter. A person taking the
23 credit under RCW 82.04.4463 is not eligible for the exemption under
24 this section.

25 (2) In addition to all other requirements under this title, a
26 person taking the exemption under this section must (~~report as~~
27 ~~required under~~) comply with RCW 82.32.545 and section 2 of this act.

28 (3) This section expires July 1, 2024.

29 NEW SECTION. **Sec. 17.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected.

33 NEW SECTION. **Sec. 18.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2007.

3 NEW SECTION. **Sec. 19.** Section 6 of this act expires July 1, 2011.

--- END ---